

CITY OF OTIS, KANSAS

Primary Government Financial Statement
With Independent Auditors' Report

For the Year Ended December 31, 2020

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INDEPENDENT AUDITORS' REPORT

To the City Council
City of Otis, Kansas
Otis, Kansas

Report on the Financial Statements

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of **City of Otis, Kansas**, as of and for the year ended December 31, 2020 and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 1; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the *Kansas Municipal Audit and Accounting Guide* and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1, the financial statement is prepared by **City of Otis, Kansas** on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matters discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of **City of Otis, Kansas** as of December 31, 2020, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of **City of Otis, Kansas** as of December 31, 2020, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures – actual and budget and individual fund schedules of regulatory basis receipts and expenditures – actual and budget (Schedules 1 and 2 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement; however, are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of **City of Otis, Kansas** as of and for the year ended December 31, 2019 (not presented herein), and have issued our report thereon dated June 10, 2020, which contained an unmodified opinion on the basic financial statement. The 2019 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link

<http://admin.ks.gov/offices/chief-financial-officer/municipal-services>. The 2019 actual column (2019 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures – actual and budget for the year ended December 31, 2020 (Schedule 2 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2019 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2019 basic financial statement. The 2019 comparative information was subjected to the auditing procedures applied in the audit of the 2019 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2019 basic financial statement or to the 2019 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2019 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended December 31, 2019, on the basis of accounting described in Note 1.

Other Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures and unencumbered cash balances (basic financial statement) as a whole. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statement. The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statement as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 12, 2021, on our consideration of **City of Otis, Kansas**' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of **City of Otis, Kansas**' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering **City of Otis, Kansas**' internal control over financial reporting and compliance.



ADAMSBROWN, LLC
Certified Public Accountants
Great Bend, Kansas

May 12, 2021

CITY OF OTIS, KANSAS
Summary Statement of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended December 31, 2020

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
Governmental Fund Types							
General Fund	\$ 24,665	-	111,746	114,963	21,448	3,265	24,713
Special Purpose Funds							
Federal Funds Fund	-	-	2,316	2,316	-	-	-
Employee Benefit Fund	2,809	-	17,342	14,550	5,601	445	6,046
Library Fund	161	-	4,214	4,375	-	-	-
Special Highway Fund	11,145	-	7,167	8,023	10,289	24	10,313
Capital Improvement Fund	25,836	-	2,000	15,707	12,129	-	12,129
Capital Project Funds							
Water Improvement Fund	1,520,983	-	955,371	2,442,228	34,126	11	34,137
Business Fund Types							
Water Utility Fund	435,395	-	352,165	254,914	532,646	4,927	537,573
Sanitation Fund	427	-	31,584	31,181	830	-	830
Sewer Reserve Fund	61,779	-	443	3,704	58,518	-	58,518
Total Primary Government	<u>\$ 2,083,200</u>	<u>-</u>	<u>1,484,348</u>	<u>2,891,961</u>	<u>675,587</u>	<u>8,672</u>	<u>684,259</u>
Composition of Cash							
Certificates of Deposit							\$ 56,546
Savings Accounts							279,930
Checking Accounts							347,783
Total Primary Government							<u>\$ 684,259</u>

The notes to the financial statement are an integral part of this statement.

CITY OF OTIS, KANSAS
Notes to Financial Statement
December 31, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

City of Otis, Kansas has established a uniform system of accounting maintained to reflect compliance with the applicable laws of the State of Kansas. The accompanying financial statement is presented to conform to the cash basis and budget laws of the State of Kansas, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The following is a summary of such significant policies.

Financial Reporting Entity

The City is a municipal corporation governed by an elected five-member council. This financial statement does not include the related municipal entity shown below. A related municipal entity is an entity established to benefit the City and/or its constituents.

Public Library

The City's Library Board operates the City's public library. Acquisition or disposition of real property by the Board must be approved by the City. Bond issuances must also be approved by the City. Unaudited financial statements can be obtained by contacting the library.

Basis of Presentation – Fund Accounting

The accounts of the City are organized and operated on the basis of funds. In governmental accounting, a fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The following types of funds comprise the financial activities of the City for the year ended December 31, 2020.

Regulatory Basis Fund Types

General Fund – the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

Special Purpose Fund – used to account for the proceeds of specific tax levies and other specific revenue sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

Capital Project Fund – used to account for the debt proceeds and other financial resources to be used for the acquisition or construction of major capital facilities or equipment.

Business Fund – fund financed in whole or in part by fees charged to users of the goods or services (enterprise and internal service funds).

Basis of Accounting

Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America. The KMAAG regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis receipts and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not

CITY OF OTIS, KANSAS
Notes to Financial Statement
December 31, 2020

recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

The City has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the City to use the regulatory basis of accounting.

Reimbursements

The City records reimbursable expenditures in the fund that makes the disbursement and records reimbursements as a receipt to the fund that receives the reimbursement. For purposes of budgetary comparisons, the expenditures are properly offset by the reimbursements under KMAAG regulatory basis of accounting.

NOTE 2 – BUDGETARY INFORMATION

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), bond and interest funds, and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

- a. Preparation of the budget for the succeeding calendar year on or before August 1st.
- b. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
- c. Public hearing on or before August 15th, but at least 10 days after publication of notice of hearing.
- d. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least 10 days after publication, the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments for this year.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which revenues are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the City for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year end.

A legal operating budget is not required for capital project funds, trust funds, and the following special purpose funds: Federal Funds Fund and Capital Improvement Fund.

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

CITY OF OTIS, KANSAS
Notes to Financial Statement
December 31, 2020

NOTE 3 – DEPOSITS AND INVESTMENTS

City of Otis, Kansas follows the practice of pooling cash and investments of all funds. Each fund's portion of total cash and investments is summarized by fund category in the summary statement of receipts, expenditures and unencumbered cash.

K.S.A. 9-1401 establishes the depositories which may be used by the City. The statute requires banks eligible to hold the City's funds have a main or branch bank in the county in which the City is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The City has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the City's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The City has no investment policy that would further limit its investment choices.

Concentration of Credit Risk

State statutes place no limit on the amount the City may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and K.S.A. 9-1405.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The City does not use "peak periods". All deposits were legally secured at December 31, 2020.

At December 31, 2020, the City's carrying amount of deposits was \$684,259 and the bank balance was \$734,425. The bank balance was held by three banks resulting in a concentration of credit risk. Of the bank balance, all was covered by federal depository insurance for the year ending December 31, 2020.

Custodial Credit Risk – Investments

For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured. The City had no investments at December 31, 2020.

NOTE 4 – INTERFUND TRANSFERS

Interfund transfers within the reporting entity are substantially for the purpose of subsidizing operating functions, funding capital projects and asset acquisitions or maintaining debt service on a routine basis as authorized by Kansas statutes. **City of Otis, Kansas'** interfund transfers and regulatory authority for the year ended December 31, 2020 were as follows:

From	To	Regulatory Authority	Amount
Water Utility Fund	Sanitation Fund	K.S.A. 12-825d	\$ 1,000
Water Utility Fund	General Fund	K.S.A. 12-825d	30,000
Water Utility Fund	Employee Benefit Fund	K.S.A. 12-825d	5,000
Water Utility Fund	Water Improvement Fund	K.S.A. 12-825d	79,429

CITY OF OTIS, KANSAS
Notes to Financial Statement
December 31, 2020

NOTE 5 – CAPITAL PROJECTS

Capital project authorizations with approved change orders compared with expenditures from inception are as follows:

	Project Authorization	Expenditures to Date
Water Project	\$ 3,345,000	\$ 3,221,739

NOTE 6 – LITIGATION

City of Otis, Kansas is a party to various legal proceedings which normally occur in governmental operations. These legal proceedings are not likely to have a material financial impact on the affected funds of the City.

NOTE 7 – RISK MANAGEMENT

City of Otis, Kansas carries commercial insurance for risks of loss, including property, general liability, inland marine, automobile, workers' compensation, and public official and employment practice. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 8 – GRANTS AND SHARED REVENUES

City of Otis, Kansas participates in numerous state and federal grant programs, which are governed by various rules and regulations for the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the City has not complied with the rules and regulations governing the grants, refunds of any money received may be required. In the opinion of the City, any liability for reimbursement, which may arise as the result of the audit, is not believed to be material.

NOTE 9 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

The City did not publish an annual financial statement, which is in violation of K.S.A. 12-1608.

The City did not pay or credit interest on utility deposits, which is in violation of K.S.A. 12-822.

The City did not control expenditures so that no indebtedness was created in the Library Fund, which is in violation of K.S.A. 79-2935.

NOTE 10 – DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

Plan Description

City of Otis, Kansas participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing, multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et. seq. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERS website at

CITY OF OTIS, KANSAS
Notes to Financial Statement
December 31, 2020

www.kpers.org or by writing to KPERS (611 S Kansas, Suite 100; Topeka, KS 66603) or by calling 1-888-275-5737.

Contributions

K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1, KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate for the Death and Disability Program) and the statutory contribution rate was 8.61% for the fiscal year ended December 31, 2020. Contributions to the pension plan from the City were \$6,078 for the year ended December 31, 2020.

Net Pension Liability

At December 31, 2020, the City's proportionate share of the collective net pension liability reported by KPERS was \$56,725. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019, which was rolled forward to June 30, 2020. The City's proportion of the net pension liability was based on the ratio of the City's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

The complete actuarial valuation report including all actuarial assumptions and methods, and the report on the allocation of the KPERS collective net pension liability to all participating employers are publicly available on the website at www.kpers.org or can be obtained as described above.

NOTE 11 – OTHER POST EMPLOYMENT BENEFITS

As provided by K.S.A. 12-5040, **City of Otis, Kansas** allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the City is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in this financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the City makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured.

As provided by K.S.A. 74-4927, disabled members in the Kansas Public Employees Retirement System (KPERS) receive long-term disability benefits and life insurance benefits. The plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. The employer contribution rate is set at 1% for the year ended December 31, 2020.

CITY OF OTIS, KANSAS
Notes to Financial Statement
December 31, 2020

NOTE 12 – COMPENSATED ABSENCES

Paid Time Off

Regular full-time employees are entitled to 12 paid time off (PTO) days per year. Part-time employees do not earn PTO. Employees may not accrue more than 20 days of PTO. Employees are allowed to carryover 5 days of PTO to the next year. Upon termination, employees will be paid all accrued unused time off.

NOTE 13 – RISKS AND UNCERTAINTIES

On January 30, 2020, the World Health Organization (“WHO”) announced a global health emergency because of a new strain of coronavirus in Wuhan, China (the “COVID-19 outbreak”) and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the City’s financial condition, liquidity and future results of operations. Management is actively monitoring the global and local situation on its financial condition, liquidity, operations, suppliers, industry and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the City is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition or liquidity for fiscal year 2020.

NOTE 14 – LONG-TERM DEBT

City of Otis, Kansas has the following type of long-term debt.

General Obligation Bonds

On September 26, 2019, the City issued \$2,383,000 in General Obligation Bonds Series 2019 to pay off General Obligation Temporary Notes Series 2018 for the purpose of acquiring, constructing, reconstructing, improving or enlarging the water system.

CITY OF OTIS, KANSAS
Notes to Financial Statement
December 31, 2020

Changes in long-term liabilities for the City for the year ended December 31, 2020, were as follows

Issue	Interest Rates	Date of Issue	Amount of Issue	Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid	Total
General Obligation Bonds										
Series 2019	2.75%	9/26/2019	\$ 2,383,000	9/26/2059	\$ 2,383,000	-	(54,467)	2,328,533	65,533	
Current maturities of long-term debt and interest through maturity are as follows:										
Year										
Principal										
General Obligation Bonds	\$ 34,357	35,301	36,272	37,270	38,295	207,861	238,058	272,641	312,248	2,328,533
Interest										
General Obligation Bonds	64,613	63,669	62,698	61,700	60,675	286,989	256,792	222,209	182,602	1,510,265
Total Principal and Interest	\$ 98,970	98,970	98,970	98,970	98,970	494,850	494,850	494,850	494,850	3,838,798

CITY OF OTIS, KANSAS

Regulatory-Required Supplementary Information

CITY OF OTIS, KANSAS
Summary of Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2020

Funds	Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
Governmental Fund Types					
General Fund	\$ 88,553	26,410	114,963	114,963	-
Special Purpose Funds					
Employee Benefit Fund	14,550	-	14,550	14,550	-
Library Fund	4,360	-	4,360	4,375	15
Special Highway Fund	12,230	-	12,230	8,023	(4,207)
Business Funds					
Water Utility Fund	797,031	-	797,031	254,914	(542,117)
Sanitation Fund	37,992	-	37,992	31,181	(6,811)

CITY OF OTIS, KANSAS
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2020
(With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Taxes	\$ 9,798	10,727	10,343	384
Franchise Tax	14,198	14,573	16,000	(1,427)
Licenses	-	-	300	(300)
Sewer Collections	21,309	25,602	25,000	602
Fines and Permits	458	329	500	(171)
Insurance Reimbursements	5,489	21,357	500	20,857
Rent	570	2,550	2,100	450
Sale of Assets	-	1,505	-	1,505
Miscellaneous	3,150	5,103	-	5,103
Transfers In	58,275	30,000	15,000	15,000
Total Receipts	113,247	111,746	69,743	42,003
Expenditures				
Salaries and Wages	8,643	12,699	9,000	3,699
Parks and Maintenance	6,290	4,497	2,500	1,997
Street Lights	7,399	8,123	8,000	123
Sewer	12,092	13,944	12,000	1,944
Liability Insurance	3,359	4,387	16,000	(11,613)
Insurance	1,121	18,766	-	18,766
Legal	1,369	2,102	2,000	102
Office Supplies	6,772	6,714	1,000	5,714
Repairs and Maintenance	15,153	2,443	5,000	(2,557)
Travel Expenses	2,740	2,745	2,000	745
Utilities	8,876	11,045	8,000	3,045
Rental Expenses	9,337	6,173	3,000	3,173
Library	4,053	1,200	6,000	(4,800)
Contractual Services	-	591	4,000	(3,409)
Miscellaneous	6,951	19,534	8,000	11,534
Capital Outlay	-	-	2,053	(2,053)
(a) Adjustment for Qualifying Budget Credits	-	-	26,410	(26,410)
Total Expenditures	94,155	114,963	114,963	-
Receipts Over (Under) Expenditures	19,092	(3,217)		
Unencumbered Cash - Beginning	5,573	24,665		
Unencumbered Cash - Ending	\$ 24,665	21,448		
(a) Adjustment for Qualifying Budget Credits				
Insurance Reimbursements Over Amount Budgeted		\$ 20,857		
Rent Over Amount Budgeted		450		
Miscellaneous Over Amount Budgeted		5,103		
Total		\$ 26,410		

CITY OF OTIS, KANSAS
Federal Funds Fund
 Schedule of Receipts and Expenditures
 Regulatory Basis
 For the Year Ended December 31, 2020
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	Prior Year Actual	Current Year Actual
Receipts		
Federal Aid	\$ -	2,316
Expenditures		
COVID-19 Disbursements	-	2,316
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash - Beginning	-	-
Unencumbered Cash - Ending	\$ -	-

CITY OF OTIS, KANSAS
Employee Benefit Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2020
(With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Taxes	\$ 14,121	12,342	11,998	344
Transfers In	-	5,000	-	5,000
Total Receipts	14,121	17,342	<u>11,998</u>	<u>5,344</u>
Expenditures				
Employee Benefits	14,150	14,550	<u>14,550</u>	<u>-</u>
Receipts Over (Under) Expenditures	(29)	2,792		
Unencumbered Cash - Beginning	<u>2,838</u>	<u>2,809</u>		
Unencumbered Cash - Ending	\$ <u>2,809</u>	<u>5,601</u>		

CITY OF OTIS, KANSAS
Library Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2020
(With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

		Current Year		Variance
	Prior Year Actual	Actual	Budget	Over (Under)
Receipts				
Taxes	\$ 3,502	4,214	<u>4,681</u>	<u>(467)</u>
Expenditures				
Appropriations	<u>3,341</u>	<u>4,375</u>	<u>4,360</u>	<u>15</u>
Receipts Over (Under) Expenditures	161	(161)		
Unencumbered Cash - Beginning	<u>-</u>	<u>161</u>		
Unencumbered Cash - Ending	\$ <u>161</u>	<u>-</u>		

CITY OF OTIS, KANSAS
Special Highway Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2020
(With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
State Highway Tax	\$ 7,258	6,832	7,230	(398)
Tax Specials	-	335	-	335
Transfers In	5,000	-	5,000	(5,000)
Total Receipts	12,258	7,167	12,230	(5,063)
Expenditures				
Salaries and Wages	9,928	5,040	7,200	(2,160)
Commodities	3,367	2,635	5,030	(2,395)
Capital Outlay	162	348	-	348
Total Expenditures	13,457	8,023	12,230	(4,207)
Receipts Over (Under) Expenditures	(1,199)	(856)		
Unencumbered Cash - Beginning	12,344	11,145		
Unencumbered Cash - Ending	\$ 11,145	10,289		

CITY OF OTIS, KANSAS
Capital Improvement Fund
 Schedule of Receipts and Expenditures
 Regulatory Basis
 For the Year Ended December 31, 2020
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	Prior Year Actual	Current Year Actual
Receipts		
Transfers In	\$ 15,000	-
Miscellaneous	-	2,000
Total Receipts	15,000	2,000
Expenditures		
Contractual	25,622	15,707
Capital Outlay	1,469	-
Total Expenditures	27,091	15,707
Receipts Over (Under) Expenditures	(12,091)	(13,707)
Unencumbered Cash - Beginning	37,927	25,836
Unencumbered Cash - Ending	\$ 25,836	12,129

CITY OF OTIS, KANSAS
Water Improvement Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2020
(With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	Prior Year Actual	Current Year Actual
Receipts		
Interest	\$ 22,243	3,077
GO Bond Proceeds	2,383,000	-
USDA Grant	-	872,865
Transfers In	-	79,429
Total Receipts	<u>2,405,243</u>	<u>955,371</u>
Expenditures		
Temporary Note Principal	2,030,000	-
Temporary Note Interest	59,659	-
Bond Principal	-	54,467
Bond Interest	-	65,533
Capital Outlay	557,716	2,322,228
Contractual	6,360	-
Legal Fees	19,803	-
Total Expenditures	<u>2,673,538</u>	<u>2,442,228</u>
Receipts Over (Under) Expenditures	(268,295)	(1,486,857)
Unencumbered Cash - Beginning	<u>1,789,278</u>	<u>1,520,983</u>
Unencumbered Cash - Ending	<u>\$ 1,520,983</u>	<u>34,126</u>

CITY OF OTIS, KANSAS
Water Utility Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2020
(With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

		Current Year		Variance
	Prior Year Actual	Actual	Budget	Over Over (Under)
Receipts				
Charges to Customers	\$ 298,738	341,031	315,000	26,031
Federal Aid	-	5,584	-	5,584
State Aid	-	702	-	702
Interest	2,947	3,448	300	3,148
Deposits	1,450	1,250	900	350
Waste Connection	-	150	800	(650)
Miscellaneous	19,461	-	-	-
Total Receipts	322,596	352,165	317,000	35,165
Expenditures				
Production	87,279	74,752	210,000	(135,248)
Distribution	89,394	63,050	40,000	23,050
Meter Refunds	410	203	400	(197)
Sales Tax	105	148	350	(202)
Miscellaneous	97	1,222	96,000	(94,778)
Bond Fees	220	110	-	110
Capital Outlay	27,859	-	430,281	(430,281)
Transfers Out	78,275	115,429	20,000	95,429
Total Expenditures	283,639	254,914	797,031	(542,117)
Receipts Over (Under) Expenditures	38,957	97,251		
Unencumbered Cash - Beginning	396,438	435,395		
Unencumbered Cash - Ending	\$ 435,395	532,646		

CITY OF OTIS, KANSAS
Sanitation Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2020
(With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Charges to Customers	\$ 27,249	27,210	32,000	(4,790)
Polycarts and Dumpster Fees	2,579	2,488	4,000	(1,512)
Administration Fees	740	886	1,000	(114)
Transfers In	-	1,000	-	1,000
Miscellaneous	167	-	600	(600)
Total Receipts	30,735	31,584	37,600	(6,016)
Expenditures				
Clean-Up	960	-	1,992	(1,992)
Contractual - Hauling	28,634	28,540	32,000	(3,460)
Contractual - Polycarts & Dumpsters	2,693	2,641	4,000	(1,359)
Total Expenditures	32,287	31,181	37,992	(6,811)
Receipts Over (Under) Expenditures	(1,552)	403		
Unencumbered Cash - Beginning	1,979	427		
Unencumbered Cash - Ending	\$ 427	830		

CITY OF OTIS, KANSAS
Sewer Reserve Fund
 Schedule of Receipts and Expenditures
 Regulatory Basis
 For the Year Ended December 31, 2020
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	Prior Year Actual	Current Year Actual
Receipts		
Interest	\$ 226	443
Sale of Assets	2,300	-
Total Receipts	2,526	443
Expenditures		
Contractual	789	1,225
Capital Outlay	7,800	2,479
Total Expenditures	8,589	3,704
Receipts Over (Under) Expenditures	(6,063)	(3,261)
Unencumbered Cash - Beginning	67,842	61,779
Unencumbered Cash - Ending	\$ 61,779	58,518

CITY OF OTIS, KANSAS

Single Audit Information

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the City Council
City of Otis, Kansas
Otis, Kansas

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the *Kansas Municipal Audit and Accounting Guide* and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statement of **City of Otis, Kansas**, as of and for the year ended December 31, 2020, and the related notes to the financial statement, and have issued our report thereon dated May 12, 2021. The report on the audited financial statement was adverse because it was not presented in conformity with accounting principles generally accepted in the United States of America; however, it was unqualified as presented on a prescribed basis of accounting that demonstrates compliance with the cash basis and budget laws of the State of Kansas, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered **City of Otis, Kansas'** internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of **City of Otis, Kansas'** internal control. Accordingly, we do not express an opinion on the effectiveness of **City of Otis, Kansas'** internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs (2020-001) that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether **City of Otis, Kansas'** financial statement is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

City of Otis, Kansas' Response to Findings

City of Otis, Kansas' response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. **City of Otis, Kansas'** response was not subjected to the audit procedures applied in the audit of the financial statement and, accordingly, we express no opinion on it.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Adams Brown, LLC". The signature is written in a cursive, flowing style.

ADAMSBROWN, LLC
Certified Public Accountants
Great Bend, Kansas

May 12, 2021

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the City Council
City of Otis, Kansas
Otis, Kansas

Report on Compliance for Each Major Federal Program

We have audited **City of Otis, Kansas'** compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of **City of Otis, Kansas'** major federal programs for the year ended December 31, 2020. **City of Otis, Kansas'** major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of **City of Otis, Kansas'** major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the *Kansas Municipal Audit and Accounting Guide*; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about **City of Otis, Kansas'** compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of **City of Otis, Kansas'** compliance.

Opinion on Each Major Federal Program

In our opinion, **City of Otis, Kansas** complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2020.

Report on Internal Control Over Compliance

Management of **City of Otis, Kansas** is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered **City of Otis, Kansas'** internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of **City of Otis, Kansas'** internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



ADAMSBROWN, LLC

Certified Public Accountants

Great Bend, Kansas

May 12, 2021

CITY OF OTIS, KANSAS
Schedule of Expenditures of Federal Awards
December 31, 2020

Federal Grantor/ Pass-through Grantor/ Program Title	Federal Assistance Listing Number	Agency or Pass-through Number	Federal Expenditures
U.S. Department of Homeland Security			
Passed Through Kansas State Division of Emergency Management			
Disaster Grants - Public Assistance			
(Presidentially Declared Disasters)	97.036	N/A	\$ 5,584
U.S. Department of the Treasury			
Passed Through Rush County			
COVID-19 Funding			
Coronavirus Relief Fund	21.019	N/A	2,316
U.S. Department of Agriculture			
Direct Aid			
Water and Waste Disposal Systems for			
Rural Communities	10.760	N/A	<u>872,865</u>
Total Expenditures of Federal Awards			\$ <u>880,765</u>

Note - There were no awards made to subrecipients for the year ended December 31, 2020.

See accompanying notes to schedule of expenditures of federal awards.

CITY OF OTIS, KANSAS
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2020

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of **City of Otis, Kansas**, and is presented on the basis of accounting that demonstrates compliance with the regulatory basis of accounting of the State of Kansas, which is a comprehensive basis of accounting other than generally accepted accounting principles. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

NOTE 2 – INDIRECT COST RATE

The City has elected not to use the 10% de minimis cost rate allowed under Section 200.414(f) of the Uniform Guidance.

NOTE 3 – OTHER EXPENDITURES

The City did not receive any federal awards in the form of noncash assistance, insurance, loans, or loan guarantees, and incurred no expenditures in relation thereof for the year ended December 31, 2020.

CITY OF OTIS, KANSAS
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2020

SECTION I - SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

Type of auditors' report issued on whether the financial was prepared in accordance with a special purpose framework not in compliance with GAAP.

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

- | | | | | |
|---|---------------------------|-----|---------------------------|---------------|
| • Material weakness identified? | <u> </u> | Yes | <u> X </u> | No |
| • Significant deficiency identified? | <u> X </u> | Yes | <u> </u> | None reported |
| • Noncompliance material to financial statements noted? | <u> </u> | Yes | <u> X </u> | No |

FEDERAL AWARDS

Internal control over major programs:

- | | | | | |
|--------------------------------------|---------------------------|-----|----------------------|---------------|
| • Material weakness identified? | <u> </u> | Yes | <u> X </u> | No |
| • Significant deficiency identified? | <u> </u> | Yes | <u> X </u> | None reported |

Type of auditors' report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a) of the Uniform Guidance?

<u> </u>	Yes	<u> X </u>	No
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Identification of major program:

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
10.760	Water and Waste Disposal Systems for Rural Communities

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

<u> </u>	Yes	<u> X </u>	No
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CITY OF OTIS, KANSAS
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2020

SECTION II – FINANCIAL STATEMENT FINDINGS

SIGNIFICANT DEFICIENCY

2020-001

Criteria or specific requirement

Internal controls should be in place to ensure that employees do not have incompatible duties.

Condition

Proper segregation of duties does not exist in the accounting system.

Context

We determined, through inquiry and documentation of the City's internal controls, that there is a failure to properly segregate duties for the financial reporting process.

Cause

The City is unable to hire additional personnel due to its size.

Effect

Management may not become aware of problems or irregularities in a timely manner.

Recommendation

Procedures should be established and implemented to segregate duties in the receipts and expenditures cycles and strengthen internal controls. Also, involvement of the Council can mitigate the risk of errors or fraud. The Council should remain involved in the financial affairs of the Council to provide oversight and independent review functions.

Views of responsible officials

See Corrective Action Plan.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No material findings or questioned costs are required to be disclosed under the Uniform Guidance.

City of Otis

105 West Fisher

P.O. Box 326

Telephone 785-387-2403 Fax 785-387-2404

Otis, Kansas 67565-0326

Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 2020

SECTION II – FINANCIAL STATEMENT FINDINGS

SIGNIFICANT DEFICIENCY

2019-001

Condition

Proper segregation of duties does not exist in the accounting system.

Corrective Actions

The City implements segregation of duties wherever possible, given its size.

Status

Repeat Finding. See 2020-001.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None.